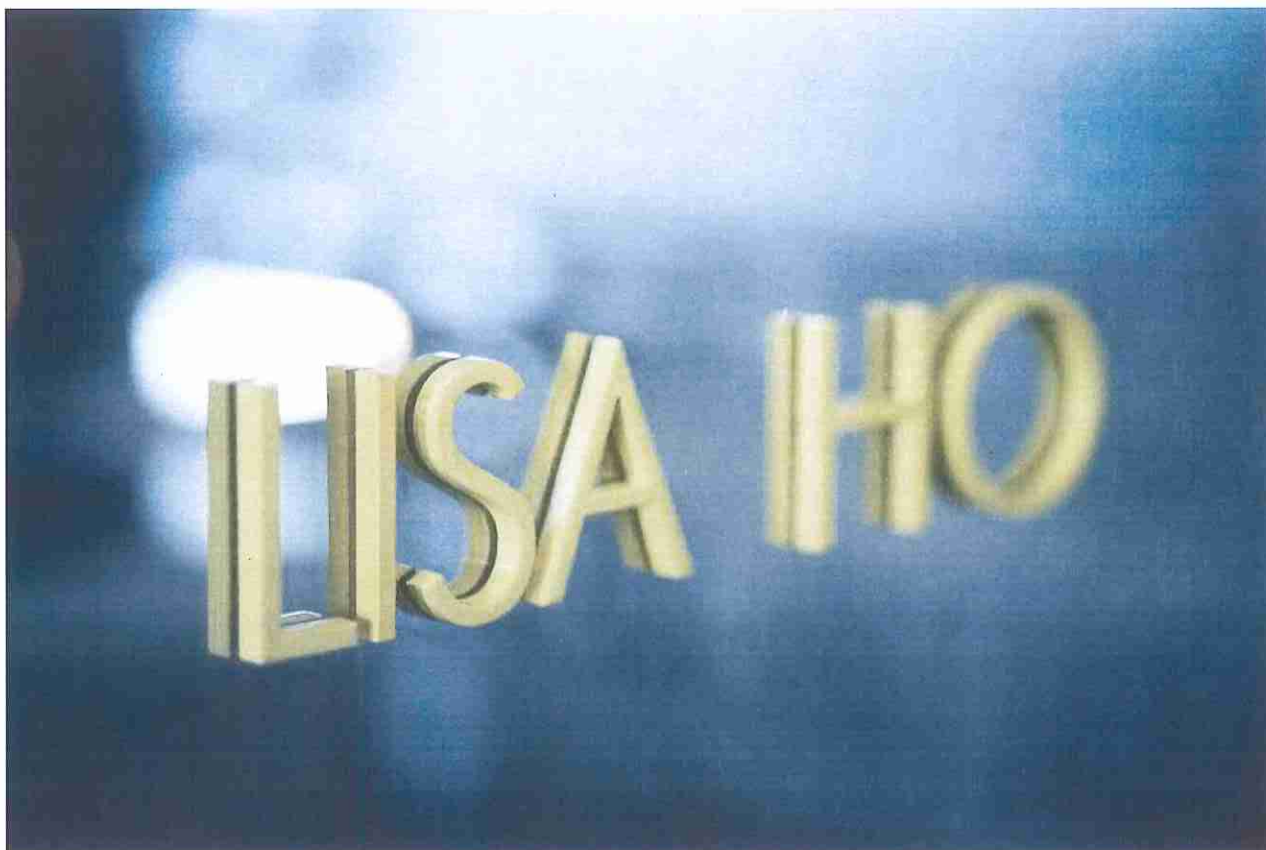


**LISA HO DESIGNS LIMITED**

**ACN 002 972 732**



## **Prospectus**

**For the Offer of 7,500,000 Shares at A\$0.20 per Share to raise a minimum of A\$1,500,000 with a right to accept subscriptions for up to a further 1,000,000 Shares at an issue price of \$0.20 each to raise up to a total of \$1,700,000**

This Prospectus should be read in its entirety. You should carefully consider the risk factors in Section 4 in light of your personal circumstances and seek professional advice before you decide whether to invest. The Offer does not take into account your investment objectives, financial situation or particular needs.

**The Shares offered by this Prospectus should be considered speculative.**

This is a Replacement Prospectus dated 26 February 2013.  
It replaces a Prospectus dated 19 February 2013  
relating to shares in Lisa Ho Designs Limited



## Important Notice

This Replacement Prospectus is dated 26 February 2013 and was lodged with ASIC on 26 February 2013. ASIC takes no responsibility for the content of this Prospectus.

Application will be made for listing of the Company's securities offered by this disclosure document to the National Stock Exchange of Australia Limited (NSX).

The fact that the National Stock Exchange of Australia Limited may list the securities of the Company is not to be taken in any way as an indication of the merits of the Company or the listed securities.

The National Stock Exchange of Australia Limited takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus later than 13 months after 19 February 2013.

### Application for Quotation

Application will be made within 7 days after the date of this Prospectus for permission for the Shares offered by this Prospectus to be listed for quotation on the securities market operated by NSX.

### Electronic Prospectus

This Prospectus will be issued in paper form and as an electronic Prospectus which may be accessed on the Internet at [www.lisahocom](http://www.lisahocom). The Offer of Shares pursuant to the electronic Prospectus is only available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act 2001 (Cth) prohibits any person passing onto another person the Application Form unless attached to, or accompanied by, the complete and unaltered version of the Prospectus.

During the Offer Period, any person may obtain a hardcopy of this Prospectus by contacting Boardroom Pty Ltd (the Company's Share Registry) on 1300 737 760.

### Foreign Jurisdictions

This Prospectus does not constitute an offer in any place in which, or to persons to whom, it would not be lawful to make an offer. Distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

### No Authority

No person is authorised to give any information or to make any representation regarding the Offer. Any information or representation in relation to the Offer which is not contained in this Prospectus may not be relied upon as having been authorised by Lisa Ho Designs Limited or its Directors.

### Exposure Period

In accordance with Chapter 6D of the Corporations Act this Prospectus is subject to an exposure period of 7 days from

the date of lodgement with ASIC. This period may be extended by ASIC for a further period of up to 7 days. The purpose of this exposure period is to enable this Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, Applications received during the exposure period will be dealt with in accordance with Section 724 of the Corporations Act. Applications received prior to the expiration of the exposure period will not be processed until after the exposure period.

No preference will be conferred on Applications received in the exposure period and all Applications received in the exposure period will be treated as if they were simultaneously received on the Opening Date.

### Speculative

The Shares offered by the Prospectus should be considered to be of a speculative nature.

### Forward Looking Statements

Various statements in this Prospectus constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements involving known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed herein.

### Applicants should seek advice

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisers before deciding whether to apply for Shares. The Shares offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

### Privacy

When you apply to invest in the Company, you will provide the Company and the Share Registrar with certain personal information to: (i) facilitate the assessment of the Application; (ii) enable the Company to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and (iii) carry out appropriate administration. The Company and the Share Registrar may be required to disclose this information to: (i) third parties who carry out functions on behalf of the Company; and (ii) other third parties to whom disclosure is required by law. Applicants may request access to their personal information held by (or on behalf of) the Company by telephoning or writing to the Company Secretary.

### Photographs and Diagrams

Items and undertakings depicted in photographs and diagrams in this Prospectus are not assets of the Company, unless otherwise stated. Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale.

### Definitions

Throughout this Prospectus abbreviations and defined terms are used. Abbreviations and legal terms are contained in the Glossary in section 10 of this Prospectus (defined terms are generally identified by the uppercase first letter).

This is a Replacement Prospectus dated 26 February 2013.  
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relating to shares in Lisa Ho Designs Limited





**TABLE OF CONTENTS**

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<b>SECTION NO.</b>	<b>SECTION TITLE</b>	<b>PAGE NO.</b>
	Important Notice	
	Table of Contents	1
1.	Letter to Investors	2
2.	Investment Overview – Executive Summary	3
3.	Company Overview and Business Strategy	12
4.	Risk Factors	18
5.	How to Invest	22
6.	Historical Trading Results	26
7.	Financial Information	28
8.	Independent Accountants Report	37
9.	Additional Information	41
10.	Glossary	49
	Corporate Directory	51
	Application Form	53

# 1 Chairman's Letter

Dear Investor

What started as a childhood hobby has evolved into a rewarding 30 year career starting in 1982, fresh out of Design School. As a child under the careful guidance of my tailor grandmother I developed a love of fashion design.

I am proud of the fact that after 30 years in this industry the Lisa Ho brand is more relevant today than ever before. We are well known both locally and abroad.

The Lisa Ho product is sold through 10 flagship stores and two clearance stores, through David Jones, on Ebay, Designer Gallery and in our own online store.

The Lisa Ho Group of companies consists of Lisa Ho Designs Limited which is making this offer and Lisa Ho Retail Pty Ltd which conducts our store front operations.

Lisa Ho Designs is planning to expand the Lisa Ho Group's online sales particularly overseas, and funds raised under this Prospectus will be used to further develop the Lisa Ho Group website and sale portals. Funds will also be used to increase exposure overseas and in particular the USA.

This Prospectus offers investors an opportunity to be part of the growth and expansion of the Lisa Ho label in the future.

I look forward to welcoming you as a shareholder.

Yours faithfully



Lisa Ho  
Board Chair and CEO

## **2 Investment Overview**

The information set out in this section is an executive summary of the investment offering only. It is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

### **2.1 The Lisa Ho Group**

The Lisa Ho Group consists of Lisa Ho Designs Limited and its wholly owned subsidiary Lisa Ho Retail Pty Ltd.

Lisa Ho Designs Limited holds all of the Lisa Ho Group's intellectual property including trademarks, 30 years of pattern and fabric designs and a client database collected over the last 19 years. The Lisa Ho Group has been an innovator in the retailing of premium Australian ladies fashion, being amongst the first to introduce customer VIP programmes and internet sales.

The Lisa Ho Group is at an exciting stage of its development with opportunities to expand sales through its online portal, particularly overseas.

### **2.2 Lisa Ho Label**

The Lisa Ho fashion label is now one of the most respected and iconic labels in Australia. The label is now 30 years old and is sold through its 10 Australian Flagship Stores and two sales clearance stores.

The Lisa Ho label has been sold through David Jones stores throughout Australia for 29 years. From February 2013, Lisa Ho designs will be sold in David Jones stores through concessions operated by the Lisa Ho Group. There will initially be 7 David Jones concessions. The concessions will initially operate out of existing locations in the David Jones stores. The refurbishment of the existing concessions will occur over the next 6 months. As part of the refurbishment the Lisa Ho Group will build and furnish the concessions to its design. Another 4 concessions are planned over the next two years, the first of which will be located at Bondi Junction in New South Wales.

The label is also sold in Australia and overseas through the Lisa Ho website.

With the establishment of the David Jones concessions, Lisa Ho designs will now only be able to be purchased directly from the Lisa Ho Group.



**“Spring Summer 2012” Australian Fashion Week, Art Gallery of NSW**

### **2.3 Investment highlights and risks**

Prospective investors should read this Prospectus in its entirety and, in particular, consider the risk factors set out in Section 4, before deciding whether to apply for Shares under this Prospectus.

A summary of the key investment highlights and risks is set out below.

Key investment highlights include:

- Opportunity to invest in an iconic Australian fashion label built over 30 years.
- David Jones concessions give strategic marketing and sales opportunity.
- Ongoing relationship with Commonwealth Bank to design uniforms.
- Growth opportunities through internet sales and overseas expansion.
- Large customer database gathered over 19 years.

Key risks include:

- Inherit risks associated with adopting changes to the business model such as moving to concessions in David Jones stores rather than wholesaling to David Jones and the move to more on-line sales (see section 4.4)
- Decline of retail sales generally in Australia may impact the sale of premium ladies fashion (see section 4.5).
- Loss of key management and designers could impact the Group’s ability to operate and remain at the forefront of Australian ladies fashion (see section 4.6).
- Reduced demand for premium Australian women’s fashion could impact sales (see section 4.7).

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- Foreign currency risks on supply contracts could reduce profitability (see section 4.8).

For more than 30 years, the Lisa Ho Group has consistently traded profitably, recording gross income of \$9.8m, \$9.5m and \$6.5m in the past three financial years. This translated to operating profits in the 2010 and 2011 financial years, however in the 2012 financial year, the Lisa Ho Group recorded an operating loss. This was a result of one off business issues the cause of which has since been addressed (see Section 6.2 for details).

Historical financial data for the Lisa Ho Group is set out in Section 6. Financial Information for the Lisa Ho Group and an Independent Accountants Report on the Pro Forma Statement of Financial Position as at 30 September 2012 for the Lisa Ho Group prepared by Walker Wayland NSW, Chartered Accountants (Walker Wayland) are in Sections 7 and 8 respectively of this Prospectus.

## 2.4 Summary of the Offer

With this Prospectus, the Company invites investors to apply for the issue of a minimum 7,500,000 Shares at an issue price of \$0.20 per Share to raise \$1,500,000. The Company may also accept subscriptions for up to a further 1,000,000 Shares at an issue price of \$0.20 so that a maximum of 1,700,000 could be raised under this Prospectus.

	<b>Minimum Subscription</b>	<b>Maximum Subscription</b>
Shares on issue at the date of the Prospectus	22,500,000	22,500,000
Number of new Shares offered under this Prospectus	7,500,000	8,500,000
Total Shares on issue after this Offer	30,000,000	31,000,000
Offer price per Share	\$0.20	\$0.20
Amount to be raised under this Prospectus	\$1,500,000	\$1,700,000
Market capitalisation at completion of the Issue (based on issue price)	\$6,000,000	\$6,200,000

\* 150,000 Options to acquire shares will be issued to Ann Bowering on the Company listing on the NSX. Details of these Options are to be found in Section 9.6.

The 22,500,000 Shares on issue as at the date of this Prospectus are held by Lisa Ho. Lisa Ho will hold between 75% (assuming minimum subscription) and 72.58% (assuming maximum subscription) of the Shares in the Company upon the Offer closing successfully.

As such if only the minimum subscription is obtained, Lisa Ho will be in a position to pass special resolutions including resolutions to change the constitution of the Company as well as ordinary resolutions, including resolutions to appoint or remove directors. If additional shares over the minimum subscription are issued then Lisa Ho will be able to pass ordinary resolutions and reject special resolutions.

The Shares are to be issued as new fully paid Ordinary Shares in the capital of the Company. The Shares offered under this Prospectus will rank equally with the existing Shares already on issue in the Company, and entitle the holder to one vote per Share held.

For more information regarding the rights attaching to the Shares, prospective investors are asked to read Section 9.5 "Rights and Obligations Attaching to Shares".

The Company intends to list on NSX. NSX is a regulated stock exchange and is now Australia's second largest exchange with a market capitalisation over \$2 billion. NSX specialises in catering for companies with growth potential which was one of the main reasons the company decided to list on NSX.

This Offer is not underwritten.

## 2.5 Timetable

The table below sets out an indicative timetable for the offer.

Opening Date	27 February 2013
Closing Date (5.00 p.m. Sydney time)	29 March 2013
Dispatch of Holding Statements	3 April 2013
Expected date for listing on NSX	16 April 2013

Note: The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

See Section 5 for details of "How to Invest".



**“Winter 2013 Show” at Lisa Ho Head Office, Surry Hills, Australia**

## **2.6 Purpose of the Issue and Use of Funds**

The main purpose of the Issue is to raise funds to:

- refurbishment of up to 11 David Jones concessions;
- replenish working capital;
- increase global promotional activities; and
- improve and expand the online sales of Lisa Ho designs.

The Lisa Ho Group will also investigate the establishment of a flagship store in the US as well as how to better utilise its extensive portfolio of patterns and fabric designs and extensive client database and VIP programme.

The planned use of the proceeds of this Offer over the next two years is as follows:

<b>Item</b>	<b>Minimum Subscription \$</b>	<b>Maximum Subscription \$</b>
• Refurbishment of Lisa Ho concessions in David Jones stores	500,000	500,000
• Working Capital	650,000	850,000
• Global promotional activities	150,000	150,000
• Expand Online trading portal and website	100,000	100,000
• Prospectus and listing expenses, including experts, consultants, listing fees/compliance, registry, printing, mailing etc**	100,000	100,000
<b>TOTAL</b>	<b>1,500,000</b>	<b>1,700,000</b>

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On completion of the Offer, the Directors believe that the proceeds of the Offer together with revenues from operations will provide sufficient working capital to carry out the stated objectives of the Company.

The Company intends to declare dividends from time to time as appropriate based upon available profits and available cash, and the future funding commitments and capital requirements of the Company. The Directors give no assurance regarding the likelihood of future dividend payments, revenue, profit or cashflows of the Company, which are dependent on a number of factors, including the success of the David Jones store concessions, market acceptance of online retail strategy, international brand penetration and reaction of market competitors.

## 2.7 Directors and Management

The Board consists of one Executive Director and two Non-Executive Directors.

The Company considers knowledge of the Australian Fashion Industry, finance and establishing new businesses, brand development and advertising to be important attributes of its Board members and that it is appropriate for the current directors to serve as members of the Board given the size and development of the Company at the present time. The Company will give consideration to the appointment of experienced non-executive directors at an appropriate time in its development.

The Board of Directors of the Company comprises:

### Director - Executive

### Lisa Ho



Lisa is the Chair of the Board and the Lisa Ho Group's Chief Executive Officer.

Lisa Ho is the woman behind one of Australia's best-loved fashion labels. Her eponymous label regularly opens Australian Fashion Week and is always at the forefront of Australian fashion.

Lisa creates timeless yet forward-looking collections reflecting the genuine needs of modern women. From cocktail to resort dressing, refined daywear to bridal, Lisa Ho designs deliver a sense of effortless style whatever the occasion.



**Director - Non-Executive****Peter Navratil**

Peter has 27 years' experience in the corporate world both locally and internationally having also worked for 6 years in Asia.

Having attained a B.Build degree from the University of New South Wales, Peter spent a short stint in construction quickly moving into the more dynamic world of property development and consulting before starting his own business which also included the raising of private equity, funds management and real estate services.

Peter sold his share in the business two years ago and has since been engaged in business development locally and abroad. Peter was brought in to assist the Lisa Ho Group restructure the business in February 2012 and has been instrumental in cost cutting, reviewing the existing retail store leases, future shop fits and the change in strategy with David Jones.

**Director Non-Executive****Ann Bowering**

Ann is the CEO and a director of SIM Venture Securities Exchange ("SIM VSE"). She is also a Director of National Stock Exchange of Australia and a member of the executive team of Financial & Energy Exchange. A Chartered Accountant, Ann worked for KPMG for over ten years. Ann left KPMG in 2007 after accepting the position as Head of Business Development and Operations for the boutique systems consultancy firm, Lucsan Capital.

A Director is generally considered as "independent" where they are free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgment. In accordance with this definition, the Board considers Peter Navratil and Ann Bowering to be independent despite Peter's previous role with the Lisa Ho Group and Ann's role with the NSX.

**Secretary****Andrew Bristow**

Andrew is a qualified solicitor who has been practicing for over 27 years. He specialises in Corporate Law and Company Secretarial practice.

**Finance**

The Company does not have a Chief Financial Officer at this time. The internal accounting functions are managed by an employee who is a Certified Practicing Accountant. The Board will be responsible for the oversight of the accounting functions and preparation of all accounts and reports.

## 2.8 Interests of the Directors

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any Material Contract entered into by the Company) has now, or has had in the 2 year period ending on the date of this Prospectus, any interest in:

- The formation or promotion of the Company; or
- Property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of Shares; or
- The Offer of the Shares.

Except as disclosed in this Prospectus, no amounts of any kind (whether cash, shares, options, or otherwise) have been paid or given or agreed to be paid or given to any Director or to any company or firm with which a Director is associated to induce him or her to become, or qualify as, a Director or otherwise for services rendered by him or her or any company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer of the Shares.

Director	Shares	Options
Lisa Ho	22,500,000	NIL
Ann Bowering	NIL	150,000*
Peter Navratil	NIL	NIL

\* To be issued on listing on the NSX

Lisa Ho was issued 10 shares in the Company for 1.00 each on the registration of the Company in 1985. These were subsequently divided into 14,356,090 shares. Lisa Ho injected \$1.6 million into the Company in 2012 and has been issued 8,143,910 shares at an issue price of \$0.20 each in return.

Lisa Ho has licenced the use of the name "Lisa Ho" to the Company. In consideration she will be paid a royalty being the greater of 0.5% of the Lisa Ho Group's annual turnover or \$50,000 per year for the 3 years from 1 January 2013. Thereafter she will be entitled to receive 3% of the annual gross turnover of the Lisa Ho Group with a minimum payment of \$450,000 per year.

Please see Sections 2.9 and 9.1.3 for details of the remuneration of the directors and Section 9.1.4 for details of the licence arrangement with Lisa Ho.

## 2.9 Directors' Remuneration

The remuneration of Executive Directors will be determined from time to time by the Board of Directors having regard to the nature and extent of their responsibilities.

Lisa Ho as the sole shareholder of Lisa Ho Designs Limited resolved that the remuneration of non-executive directors must not exceed a maximum amount fixed in general meeting for that purpose (currently fixed at \$150,000). Peter Navratil and Ann Bowering are entitled to annual directors fees of \$50,000 and \$25,000 respectively. These fees are contingent upon the listing of the Company on the NSX and accrue from the date of listing.

Non-executive Directors, may also be remunerated for additional specialised services performed at the request of the Board, and reimbursed for reasonable expenses incurred by Directors on Company business. Non-executive directors may also receive consultancy fees for additional work performed for the Company outside normal directors' duties. All specialised services and consultancy fees will be at normal commercial rates.

Lisa Ho is the Board Chair and Chief Executive Officer and as such responsible for the day to day operations of the Lisa Ho Group. She will be paid an annual salary of \$109,000 together with other entitlements including a payment equal to 2% of the turnover of the Lisa Ho Group. Please see Section 9.1.3 for details of Lisa Ho's Employment Agreement.

In addition to director's fees, Ann Bowering will, on completion of a successful listing of the Company on the NSX, be issued with 150,000 Options to acquire fully paid ordinary shares. Details of the Options are to be found in Section 9.6.

## **2.10 Borrowings**

The Company currently has approximately \$2.1 million outstanding in respect of various secured debt facilities with the St George Bank. These amounts were reduced in 2012 using the \$1.6 million of funds injected by Lisa Ho into the Company.

## **2.11 Corporate Governance**

The Board of the Company supports where appropriate the Principles of Good Corporate Governance and Best Practice Recommendations published by the ASX Corporate Governance Council and the corporate governance principles published by the Australian Institute of Company Directors.

The Board has adopted a Board Charter in relation to its operation. The Board has also established an Audit, Risk and Compliance Committee.



### 3. Company Overview and Business Strategy

#### 3.1 The Lisa Ho Group

The Lisa Ho Group of companies consists of Lisa Ho Designs Limited and Lisa Ho Retail Pty Ltd.

The Lisa Ho label is now one of the icons of the Australian fashion industry and has been sold for 30 years.

Lisa Ho Designs Limited holds all of the Lisa Ho Group's intellectual property including thousands of patterns and fabric designs dating back over those 30 years. The Lisa Ho Group's online sales and concession arrangements with David Jones are also conducted through Lisa Ho Designs Limited.

Lisa Ho Retail Pty Ltd is the Lisa Ho Group's traditional shop front business and operates the Lisa Ho Group's 10 flagship stores and its other two clearance stores. Three of these flagship stores are in each of New South Wales and Victoria; two are in Western Australia and one in each of Queensland and South Australia. The two clearance stores are in New South Wales and Queensland.

Lisa Ho Designs also undertakes contract design work for corporate groups such as the Commonwealth Bank. The Company has an ongoing relationship with the Commonwealth Bank as principal designer of the bank's corporate wardrobe dating back to 2003.



**Lisa Ho Adelaide Store Interiors**



### 3.2 The Market

The market for the Lisa Ho designs is the Australian premium ladies fashion sector of the clothing market.

The clothing sector has come under increasing pressure since the global financial crisis with sales decreasing, particularly sales through department stores and traditional shop fronts. The decline is partly due to the state of the economy and also due to the increasing trend to online sales which typically have not been successfully captured by Australian retailers to date.

As a premium label Lisa Ho sales have not seen the same level of decline as the general clothing industry. However, premium fashion is facing pressures from online sales, the way fashion retailing is changing to meet market expectations as well as demands for cost reductions.

The Lisa Ho label competes in Australia with both Australian and international premium fashion labels.

In the last few years Lisa Ho designs have been promoted overseas through various celebrities and promotional events. This has occurred mainly in the United States which is seen as a natural market for the Lisa Ho label and presents opportunities for expanding the markets into which the label can be sold.



**"Winter 2013" Media Presentation at Lisa Ho Head Office, Surry Hills, Australia**

### 3.3 Business Model

The Lisa Ho Group has until recently been a traditional fashion retailer in Australia with sales through David Jones and its own flagship stores around the country. While largely a traditional retailer through shop fronts, the Lisa Ho Group has been amongst the first to adopt innovations in retailing such as a customer VIP programme and internet sales.

Faced with the changing dynamics of clothing and fashion retailing the Lisa Ho Group has decided to take advantage of opportunities. These opportunities include the expansion and redesign of its online sales portal which will see an expanded range of products offered and allows the Lisa Ho Group to expand its overseas sales.

To facilitate the expansion of sales overseas the Lisa Ho Group will increase promotional activities for its products in order to generate an increased hype and awareness of the label.

The Lisa Ho Group will continue to sell its designs in Australia through its stores and clearance stores.

The Lisa Ho Group will also continue its long relationship with David Jones. Previously the Lisa Ho Group wholesaled to David Jones but will now sell through Lisa Ho concessions in David Jones stores. The first 7 Lisa Ho concessions commenced operation in February 2013. Over the next 6 months each concession will be refurbished to the Lisa Ho Group design. A further 4 concessions are planned for opening over the next 2 years. The concessions will allow a wider range of Lisa Ho designs to be sold through David Jones department stores and allow the Lisa Ho Group to utilise the David Jones customer database for targeted marketing campaigns.

The Lisa Ho Group will consider opening flagship stores as appropriate in strategic markets to showcase the designs rather than as a significant source of sales in themselves. The first such store is expected to be opened in the US.

### 3.4 Business Plan

Period from Listing

0-6 months	Expand Online Store
	Increase overseas promotions
	Refurbishment of first 7 David Jones concessions
6 -12 months	Client database expansion and upgrade of VIP programme
	Continue to increase overseas promotions
12-18 months	Investigate the establishment of a flagship store in the US
	Continue to increase overseas promotions
	Roll out of 2 additional David Jones concessions
18 to 24 months	Roll out of last of planned David Jones concessions
	Continue to increase overseas promotions



The business plan of the Lisa Ho Group over the next two years is to continue sales through its stores and concessions and to expand and revamp the online sales portal, increase the overseas promotion of the Lisa Ho label, and further develop the David Jones concessions.

The Lisa Ho Group will also investigate how to better exploit a large catalogue of patterns and designs, its client database that has been collected over 19 years as well as the establishment of a flagship store in the US. If following such investigation the Lisa Ho Group considers some or all of these projects worth pursuing it will fund those projects either through existing revenues or additional capital raising.

Initially the Lisa Ho Group will concentrate its efforts on expanding its online sales and overseas promotions. These will commence immediately after the listing of the Company. It is envisaged that the updating of the online sales portal will be completed around June 2013. Overseas promotional activity will also be increased and will be a focus of the Lisa Ho Group over the next two years. During this time the Lisa Ho Group will look particularly to the US market and will investigate establishing a flagship store in the US.

The Lisa Ho Group will also continue its traditional sales operations mainly through its Australian stores and its ongoing relationship with David Jones. Finally the Lisa Ho Group will continue to look for opportunities for quality and high profile contract design work such as the designing of uniforms for the Commonwealth Bank.

### **Online Sales Portal**

The Lisa Ho Group has a current online sales portal which is generating modest but increasing sales. The portal however needs to be revamped to reflect the push to expand sales overseas as well as increasing product available online. The website will include additional content, product stills and video, styling info clips as well as branching into portals dedicated to sales into particular markets.

The revamp will involve some design and development work based on the existing site. The sales portal will be promoted through the use of country specific search engines and pay per click advertising.

In order to facilitate greater online sales it will be necessary for the Lisa Ho Group to be able to update the site continuously for new content and so web maintenance and design staff will be recruited.

FREE SHIPPING ON ALL AUSTRALIAN ORDERS

LOGIN REGISTER Wishlist (0) Shopping Bag (0)

LISA HO



Search

Search

What's New Eveningwear Clothing Bridal Accessories Shoes Sale

Catalogue Gift Cards Stores As Seen On Blog

Eveningwear

All

Eveningwear

Dresses

Short dresses

EVENINGWEAR  
SHOP THE COLLECTIONFINISHING  
TOUCHES  
COMPLETE YOUR OUTFIT FOR THE  
BIG DAY WITH OUR SELECTION  
OF BRIDAL ACCESSORIES

Contact Us Shipping and Returns Terms and Conditions Privacy Site Map Size Chart About Lisa Ho

© 2013 Lisa Ho

### Lisa Ho Online Bridal Store: [www.lisaho.com](http://www.lisaho.com)

#### Overseas Promotion

The Lisa Ho label has been promoted overseas through a Los Angeles based styling agency. The Lisa Ho Group provides the agency with designs and accessories which are then lent out to celebrities to wear at celebrity events which attract large audiences and press coverage. The Lisa Ho Group will continue to promote the label in this way but will expand the product line used.

Photos and videos of the celebrities wearing Lisa Ho designs will then be used in targeted campaigns both locally and overseas to further increase sales.

#### David Jones

Lisa Ho collections have been sold through David Jones for 29 years. The relationship has been a profitable one for the Lisa Ho Group and provided an opportunity to showcase collections.

The association with David Jones will continue into the future with the Lisa Ho Group having agreed to establish concessions in David Jones stores rather than selling wholesale to David Jones. As such a wider range of Lisa Ho designs will become available through the David Jones concessions which will hopefully assist in attracting sales both through the concessions, stores and online.

The initial 7 concessions began operating in February 2013 in David Jones stores located in New South Wales, Victoria, Queensland, South Australia and Western Australia. Currently the 7 concessions operate from existing space within David Jones stores. They will be

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refurbished over the next 6 months. A further 4 concessions are planned for stores located in Queensland, New South Wales and Victoria.

In addition to a wider range of styles being available in David Jones stores, the concession model will allow the Lisa Ho Group to have access to the David Jones customer database for marketing activities.

Lisa Ho designs will now only be available through Lisa Ho stores, outlets and concessions and the Lisa Ho Group's website. The Lisa Ho Group will be able to have consistent pricing and marketing of its brand and designs across all points of sale.

### **Contract Designs**

Lisa Ho Designs has undertaken contract design work for several companies with the most prominent being the design of uniforms for employees of the Commonwealth Bank, a relationship that is now 9 years old. The Commonwealth Bank assignment was originally through a third party supplier however the contract is now being negotiated directly with the bank.

The Lisa Ho Group will continue to undertake contract design work which offers an opportunity to further promote the Lisa Ho brand as well as providing revenue from other than traditional sales outlets.

### **Other potential opportunities**

The Lisa Ho Group will investigate and consider other perceived opportunities including how best to exploit the large portfolio of pattern and fabric designs amassed over 30 years as well as how to make better use of the customer database built up over 19 years.

Lisa Ho has been designing premium Australian fashion for over 30 years. In that time thousands of garment patterns and fabric designs have been produced. Many of these designs have not been used in previous collections. To date these designs which form part of the intellectual property of Lisa Ho Designs have been physically stored making them difficult to access and exploit commercially.

Investigations as to how to better exploit this intellectual property will include having the portfolio digitally scanned making access to designs much easier and faster than was previously the case and simplifying the design process.

The Lisa Ho Group's customer database has been growing over the last 19 years. The Lisa Ho Group will investigate how to make better use of the database to better promote Lisa Ho fashions and accessories. This could include targeted promotional campaigns based upon client information accessed on the database.

Finally the Lisa Ho Group will investigate the establishment of a flagship store in the US to assist the promotion of the Lisa Ho label in that market.

## **3.5 Competitors**

As the premium fashion market is highly competitive fashion houses must be able to attract and maintain a client following as well as remain in tune with fashion and commercial trends. The Lisa Ho Group's business plan has been designed to enable it to remain competitive and improve sales and profitability.

## **4 Risk Factors**

### **4.1 Introduction**

An investment in the Company is not risk free and prospective investors should consider the risk factors set out below.

Numerous risk factors could potentially impact upon the future operations and financial performance of the Company, the achievement of its objectives or its share price. The risks relate to both the Company and the general business and local and worldwide economic climate. Therefore, some risks are within the control of the Company and some are outside the control of the Company.

Investors should read the whole of this Prospectus in order to fully appreciate the risks involved in investing in the Company and the manner in which the Company intends to operate before any decision is made to subscribe for Shares. Neither the Company, nor its Directors, nor any of its professional advisers give any guarantee as to future dividends, return of capital or the price at which the Shares might trade on NSX.

### **4.2 General Economic and Share Market Climate**

Numerous widespread risks are associated with investing in any form of business and with investing in the stock market generally. Returns from an investment in the Company will depend upon general stock market activity, general economic conditions, movements in interest and inflation rates and currency exchange rates as well as the specific performance of the Company.

However, there is no guarantee of profitability, dividends, return of capital, or the price at which the Shares might trade on NSX. Nor can there be a guarantee that an active market in the Shares will develop.

### **4.3 The Company**

The Company is subject to all usual risks encountered by developing organisations including:

- capital adequacy;
- cash flow and revenue generation;
- gaining market share;
- market growth; and
- continuity of core personnel.

### **4.4 Changes in business model**

This Prospectus highlights opportunities for the Lisa Ho Group by the move to a concession model with David Jones, increased focus on on-line sales and increased promotional activity overseas. While the Company sees these as opportunities and improving the ability of the Company to maintain and increase sales there are always inherent risks associated with the

adoption of new strategies. If one or more of these strategies is unsuccessful there is a risk the Company's performance could deteriorate

#### **4.5 Decline of traditional retail sales**

The GFC has seen a decline in traditional retail operations generally in Australia. If this continues it may impact the sale of premium ladies fashion. The Lisa Ho Group plans to diversify its marketing opportunities with greater online and overseas sales so as to reduce the dependency on the Australian market and traditional store based sales. The Lisa Ho Group will also look to improve efficiencies through the digitalising of its intellectual property as well as seeking to improve sales to its existing client base.

#### **4.6 Key Management and Designers**

The Company is dependent upon individuals engaged by the Company and its subsidiaries, such as Lisa Ho. There may be a severe detrimental impact on the Company's ability to operate and remain at the forefront of Australian ladies fashion if such key management personnel were to resign and people with at least comparable attributes were not available to replace them. As such the Company's prospects therefore could depend on the performance and ability of its executive directors and executive officers to properly operate and grow the Company and its business according to its stated objectives. The Lisa Ho Group has engaged Lisa Ho for a 5 year term and Lisa is also the major shareholder in the Company. The Company has acquired Key Man insurance in respect of Lisa Ho in the amount of \$2.3 million.

#### **4.7 Reduced demand for premium Australian women's fashion**

Despite the GFC to date there has not been a significant impact upon the demand for premium Australian women's fashions. However, if the GFC is prolonged or there is a further deterioration of economic conditions demand and sales could be adversely impacted. Given this possibility the Lisa Ho Group is looking to diversify into overseas markets and increased online sale.

#### **4.8 Currency risk on Supply Contracts**

The Lisa Ho Group manufactures most of its designs in China with contracts requiring payment in \$US Dollars. A significant devaluation of the US Dollar to the Chinese RMB or of the Australian Dollar to the US Dollar could materially impact the profitability of the Lisa Ho Group. The Lisa Ho Group will consider protecting against this eventuality by hedging its currency exposure.

#### **4.9 Manufacturing and Supply**

Lisa Ho fashions and accessories are manufactured by third party suppliers using Lisa Ho patterns and designs. These manufacturers are mainly located in China. There is a risk that production could be interrupted if manufacturers suffered major problems such as fire or industrial action. The Lisa Ho Group has relationships with a number of manufacturers and given its control over patterns manufacturing of particular items is able to be moved at short notice thereby minimising any disruption to supply.

#### **4.10 Intellectual Property**

In common with other fashion labels there is a risk that the Lisa Ho Group's designs could be duplicated by third parties. Such a risk is likely to increase as the Lisa Ho Group's sales via the internet and overseas increase. As the Lisa Ho Group does not use a single manufacturer to produce its designs and this risk is somewhat mitigated. The Lisa Ho Group has also registered various trademarks associated with the Lisa Ho label in several jurisdictions but has not sought to copyright designs and patterns due to the high costs involved. The fact that Lisa Ho designs are regularly updated on a seasonal basis potentially reduces the incentive for third parties to want to duplicate the designs. The Lisa Ho Group has successfully undertaken legal action to protect its intellectual property in the past and will do so again if it becomes aware of any breach of its rights.

#### **4.11 Competition and Industry Risks**

The Company is competing in a very competitive market place with established operators in the market as well as new emerging designers. The Company has over 30 years developed strong brand recognition in the Australian market and has realised that the Lisa Ho Group must remain competitive not only by remaining in touch with fashion trends but also adapting to new business opportunities as they arise.

While the Company believes that it will provide effective competition to its competitors, no assurance can be given that competition will not intensify, either by way of further competitors with similar quality products and aggressive marketing by competitors, or that the competitive nature of the industry will not materially affect the Company's business, operating results and financial condition.

#### **4.12 International Business**

The Company expects to conduct an increasing proportion of its business outside Australia. There are certain risks inherent in doing business in international jurisdictions, such as unexpected changes in regulatory requirements (including legislative, regulatory and taxation), problems in collecting accounts receivable, fluctuations in currency exchange, foreign exchange controls which restrict or prohibit repatriation of funds, and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's international operations.

There is no assurance that one or more of these factors will not have a materially adverse effect on the Company's business operations and operating results and financial position.

#### **4.13 Majority Shareholder Risk**

As indicated in Section 2.4 Lisa Ho will hold between 72.58% and 75% of the shares in the Company on the Close of the Offer. As such Lisa Ho will have the ability to control the decision making in shareholder meetings including the ability to pass ordinary resolutions including resolutions impacting the composition of the Board. If she holds 75% Lisa Ho could pass special resolutions such as the amendment of the constitution of the Company. Investors will be investing in a Company in which they will be minority shareholders with effective control concentrated in the hands of one person initially.



#### **4.14 Speculative Investment**

**Investment in the Shares offered in this Prospectus should be considered speculative.**

You should carefully consider the risks discussed above before deciding to invest in the Company. In particular, you should consider your own personal circumstances (including financial and taxation issues and the present nature of your investment portfolio) and seek professional advice from your accountant, stockbroker, lawyer, or other professional adviser before deciding whether to make an investment.

## **5. HOW TO INVEST**

### **5.1 How to Invest**

Applications to subscribe for Shares can only be made by completing and lodging an Application Form attached to this Prospectus.

Instructions on how to apply are set out below and in the Application Form attached to this Prospectus. Applications must be for at least 10,000 Shares (\$2,000). Applications for more than 10,000 Shares must be in multiples of 5,000 Shares (\$1,000).

All Shares are to be issued at a price of \$0.20 per Share payable in full on Application.

No brokerage or stamp duty is payable by Applicants.

Applications for Shares pursuant to this Prospectus must be made using an Application Form attached to this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.20 per Share. Applications for Shares must be for a minimum of 10,000 Shares (\$2,000) and thereafter in multiples of 5,000 Shares (\$1,000).

Completed Application Forms and accompanying cheques must be either mailed or delivered to: Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney NSW 2000 or GPO Box 3993 Sydney NSW 2001 by 29 March 2013. Applications must be received by 5 pm (Sydney time) on 29 March 2013 unless the Closing Date is extended.

Cheques should be made payable to "Lisa Ho Designs Limited - Share Application Account" and crossed "Not Negotiable". Completed Application Forms must reach the Company by no later than the Closing Date.

### **5.2 Allotment and Issue**

Allotment and issue of the Shares offered by this Prospectus will take place as soon as practicable after the Closing Date and in compliance with the Corporations Act. Prior to the allotment of Shares pursuant to this Prospectus, all application monies shall be held by the Company on trust.

The Directors reserve the right to allot Shares in full for any Application or allot any lesser number or to decline any Application. Where the number of Shares allotted is less than the number applied for, or where no allotment is made, the surplus Application monies (excluding interest) will be returned by cheque to the Applicant within seven (7) days of the allotment date.

Applicants must not assume that Shares, or any number of Shares, will be issued to them in response to their Application. The Company reserves the right to reject Applications or to scale back the number of Shares offered in respect of an Application. Before purporting to deal with any Shares in anticipation of issue to the Applicant, each Applicant must satisfy themselves as to the number of Shares to which they have become entitled.

### **5.3 Minimum Subscription**

The minimum amount to be raised under this Prospectus is \$1,500,000. Oversubscriptions may be accepted and could raise up to a further \$200,000

If \$1,500,000 has not been raised within 4 months after the date of issue of the Prospectus, the Company shall repay (without interest) as soon as practicable all money received from Applicants for the Shares or the Company will issue a supplementary or replacement prospectus and give Applicants one month to withdraw and be repaid their application monies (without interest).

### **5.4 Opening and Closing Dates**

Submission of Applications may be made on or after the Opening Date. Application Forms duly completed with full payment of Application monies must be received by 5.00 p.m. Sydney time on the Closing Date. Applications received during the ASIC exposure period will not be processed until the Opening Date. The Company reserves the right to close the Offer early or extend the Closing Date at its discretion without notice, provided that the Closing Date will not be a date more than 13 months from the date of the Prospectus.

### **5.5 NSX Listing**

Application will be made to the NSX, not later than seven (7) days after the date of this Prospectus, for official quotation of the Company's Shares to be issued under this Prospectus on the Official List of the NSX. No Shares will be issued pursuant to this Prospectus unless such permission is obtained from the NSX.

If application to list on the NSX is not made, or if the Shares issued pursuant to this Prospectus, are not listed for quotation within three months after the date of this Prospectus, all application monies will be refunded (without interest) as soon as practicable or the Company will issue a supplementary or replacement Prospectus and give Applicants a period of one month to withdraw their applications and be repaid their application monies (without interest) in accordance with the Corporations Act.

If the NSX admits Lisa Ho Designs Limited to the Official List, that fact is not to be taken in any way as an indication of the merits of Lisa Ho Designs Limited or of the Shares now offered for subscription. The NSX, its officers and employees, take no responsibility for the contents of this Prospectus.

## **5.6 CHESS – Clearing House Electronic Sub-Register System**

The Company will apply for admission to participate in the Clearing House Electronic Sub-Register System (CHESS) in accordance with the Listing Rules and ASX Settlement Operating Rules (Settlement Rules). CHESS is operated by the ASX Settlement Pty Ltd (ASXS), a wholly owned subsidiary of Australian Securities Exchange Ltd, in accordance with the Listing Rules and the Settlement Rules. On admission to CHESS, the Company will operate an electronic issuer sponsored sub-register and electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue Share certificates to Shareholders. Instead, Shareholders will receive a holding statement, which sets out the number of Shares they hold in the Company. If the Shareholder is broker sponsored, ASXS will send a CHESS statement.

A holding statement (whether issued by the Company or CHESS) will also provide details of a Shareholder's Holder Identification Number (HIN) (in the case of a holding on the CHESS sub-register) or Securityholder Reference Number (in the case of a holding on the issuer-sponsored sub-register).

Following distribution of these initial holding statements to all Shareholders, a holding statement will only routinely be provided to a Shareholder at the end of any subsequent month during which the balance of the Shareholder's holding of Shares changes.

## **5.7 Privacy Act**

If you complete an Application Form, please note you are providing personal information to the Company, either directly or via the share registry. The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder, facilitate distribution of payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the Share register, bidders for your Shares in the context of takeovers, regulatory bodies, such as the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

Please note you can access, correct and update the personal information that we hold about you or an associated entity. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.



Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the Settlement Rules. Please note also that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.



**“Spring Summer 2012” Australian Fashion Week, Art Gallery of NSW**

## 6. Historical Trading Information

### 6.1 Historical Trading Data

Set out below are historical consolidated profit and loss accounts for the Lisa Ho Group for the financial years ending 30 June 2010 to 2012 together with unaudited results for the quarter ending 30 September 2012.

	Note	Special Purpose Unaudited Year ended 30/06/10 \$'000s	Special Purpose Audited Year ended 30/06/11 \$'000s	Special Purpose Audited Year ended 30/06/12 \$'000s	Unaudited AIFRS 3 months ended 30/09/12 \$'000s
Sales		15,505	14,779	13,058	2,834
Less: cost of sales		(5,660)	(5,327)	(6,532)	(1,919)
<b>Total gross income</b>		<b>9,845</b>	<b>9,452</b>	<b>6,526</b>	<b>915</b>
Other income		209	492	461	596
Less:					
Administrative expense		1,100	1,053	1,178	154
Finance expense		240	376	467	95
Occupancy expense		2,175	2,211	2,167	504
Marketing expense		575	510	525	63
Employee expense		4,747	4,719	4,155	942
Depreciation and amortisation		776	677	738	132
Other costs		165	78	112	19
Profit/(loss) before income tax		276	320	(2,355)	(398)
Income tax expense				-	(280)
<b>Profit/(loss) after income tax</b>		<b>276</b>	<b>320</b>	<b>(2,355)</b>	<b>(678)</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		<b>276</b>	<b>320</b>	<b>(2,355)</b>	<b>(678)</b>

### 6.2 Directors' Comments on Historical Trading Data

For more than 30 years, the Lisa Ho Group has consistently traded profitably, recording gross income of \$9.8m, \$9.5m and \$6.5m in the past three financial years. This translated to operating profits in the 2010 and 2011 financial years, however in the 2012 financial year, the Lisa Ho Group recorded an operating loss. This was a result of one off business issues, the causes of which have since been addressed.

In 2011 two strategic errors were made in the volume and the style of garments produced, which resulted in the over production of Spring/Summer stock in categories that Lisa would have not selected. This was further complicated by an under buy in the following Autumn/Winter and Spring/Summer seasons, which rendered the business short of stock,

and therefore constrained in its ability to generate revenue. Funds raised under the Prospectus are anticipated to alleviate the problem going forward.

As a result of these events, and her ambition to make the Lisa Ho brand an international icon, Lisa Ho has stepped back into the business full time, and is again involved in all key decisions. At the beginning of 2012 she restructured the senior management team, and together they have restructured the business through cost rationalisation, consolidation of existing pillar customer contracts, and expansion via new online and international business opportunities.

While the Lisa Ho Group has been operating for 30 years, changes in the market for premium Australian women's fashion, the commencement of the David Jones concessions in January 2013 as well as the move to boost sales via the internet and overseas mean that there are inherent uncertainties in the business. As such ascertaining the future revenue of the Lisa Ho Group is difficult and the Company has therefore not made any forecasts as to its profitability or otherwise.

## 7. Financial Information

### 7.1 Introduction

This section contains the following financial information for the Lisa Ho Group prepared by the Directors:

#### 7.1.1 Financial Information

The Directors are responsible for the inclusion of all financial information in this Prospectus. The Historical Financial Information and the Pro Forma Statement of Financial Position have been reviewed by Walker Wayland NSW, Chartered Accountants whose Independent Accountants' Report is contained in this Prospectus.

The Historical Financial Information includes the Statement of Financial Position as at 30 June 2012 and 30 September 2012 of the Lisa Ho Group.

The Pro Forma Statement of Financial Position as at 30 September 2012 assumes completion of the transactions set out in Section 7.5.2 to the Historical and Pro Forma Financial Information as at that date ("Pro Forma Statement of Financial Position").

### 7.2 Basis of Preparation and Presentation of the Historical Financial Information and Pro Forma Statement of Financial Position

The Historical Financial Information as at 30 June 2012 and for the year then ended has been extracted from the audited special purpose financial statements of the Lisa Ho Group for the year ended 30 June 2012, which were audited by Walker Wayland NSW and on which an unqualified audit opinion with an emphasis of matter on ongoing viability was issued. The financial statements were prepared on a going concern basis which states that the ability of the Group to further develop its business depends upon its ability to maintain the support of its shareholders. Should the shareholders be unable to provide ongoing support then there will remain a risk to the ongoing viability of the company.

Except to reflect the impact of first time adoption of Australian equivalents to International Financial Reporting Standards ("AIFRS") as disclosed in Section 7.5.1 to the Historical and Pro Forma Financial Information ("Section 7.5.1"), no adjustments have been made to the audited financial statements.

The Pro Forma Statement of Financial Position as at 30 September 2012 has been based on the management reports for the period ended at that same date.

As set out in Section 7.5.2 to the Historical and Pro Forma Financial Information ("Section 7.5.2"), AIFRS and Pro Forma adjustments for items associated with the proposed listing have been made to compile the Pro Forma Statement of Financial Position as at 30 September 2012.

The Historical Financial Information as at 30 June 2012 and 30 September 2012 and for the periods then ended has been derived from the Lisa Ho Group's underlying books and records.



The Pro Forma Statement of Financial Position has been presented on the basis of a \$1.5 million minimum subscription for 7.5 million ordinary shares to be issued under the offer. Should the minimum subscription be obtained, an additional \$200,000 maximum subscription for 1 million ordinary shares may be issued.

The financial information set out in the Prospectus has been prepared in accordance with the accounting policies of the Lisa Ho Group and the recognition and measurement principles (but not all disclosure requirements) prescribed by Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board. The financial information contained in this Prospectus is presented in an abbreviated form and does not contain all the disclosures required by the Australian Accounting Standards applicable to annual reports prepared in accordance with the Corporations Act.

The financial information in this section should be read in conjunction with;

- The summary of significant accounting policies and additional financial disclosures set out in Section 7.5.1;
- The Pro Forma adjustments set out in Section 7.5.2;
- The risk factors set out in Section 4 of this Prospectus; and
- Other information contained within this Prospectus

### **7.3 Directors' Forecasts**

It was determined by the Directors not to include forecast information.

#### 7.4 Consolidated Historical and Pro Forma Statement of Financial Position

	Note	Audited Special Purpose 30/06/12 '000s \$	Unaudited Special Purpose 30/09/12 '000s \$	AIFRS Pro Forma minimum subscription 30/09/12 '000s \$	AIFRS Pro Forma maximum subscription 30/09/12 '000s \$
<b>Current assets</b>					
Cash	7.5.3	-	-	1,144	1,344
Receivables		62	495	119	119
Other current assets		56	-	-	-
Inventory		3,814	3,051	3,051	3,051
<b>Total current assets</b>		<b>3,932</b>	<b>3,546</b>	<b>4,314</b>	<b>4,514</b>
<b>Non current assets</b>					
Property, plant and equipment		1,626	1,496	1,496	1,496
Intangible assets	7.5.4	71	19	19	19
Deferred tax asset		195	195	93	93
<b>Total non-current assets</b>		<b>1,892</b>	<b>1,710</b>	<b>1,608</b>	<b>1,608</b>
<b>Total assets</b>		<b>5,824</b>	<b>5,256</b>	<b>5,922</b>	<b>6,122</b>
<b>Current liabilities</b>					
Payables		1,218	1,145	1,145	1,145
Bank overdraft		558	632	-	-
Interest-bearing liabilities		3,696	1,937	1,937	1,937
Provisions		264	286	286	286
<b>Total current liabilities</b>		<b>5,736</b>	<b>4,000</b>	<b>3,368</b>	<b>3,368</b>
<b>Total non current liabilities</b>					
Interest bearing liabilities		1,120	1,120	1,120	1,120
Provisions		294	308	308	308
Deferred tax liability		-	-	146	146
<b>Total non current liabilities</b>		<b>1,414</b>	<b>1,428</b>	<b>1,574</b>	<b>1,574</b>
<b>Total liabilities</b>		<b>7,150</b>	<b>5,428</b>	<b>4,942</b>	<b>4,942</b>
<b>Net assets</b>		<b>(1,326)</b>	<b>(172)</b>	<b>980</b>	<b>1,180</b>
<b>Shareholders' equity</b>					
Equity	7.5.5	-	1,628	3,028	3,228
Options Reserve		-	-	30	30
Accumulated losses		(1,326)	(1,800)	(2,078)	(2,078)
<b>Total shareholders' equity</b>		<b>(1,326)</b>	<b>(172)</b>	<b>980</b>	<b>1,180</b>

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It replaces a Prospectus dated 19 February 2013  
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## **7.5 Notes to the Historical and Pro Forma Financial Information**

### **7.5.1 Summary of Significant Accounting Policies**

The significant accounting policies adopted by the Lisa Ho Group in preparing the Historical Financial Information at 30 June 2012 and 30 September 2012, and the Pro Forma Statement of Financial Position as at 30 September 2012 are set out below.

The directors have prepared the Historical Financial Information on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the members.

The accounting policies adopted are in accordance with the recognition and measurement requirements of Australian Equivalents to International Financial Reporting Standards ("AIFRS").

Except as otherwise stated, the financial information has been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to present for inclusion in a prospectus in Australia.

Pro Forma Financial Information as at 30 September 2012 assumes completion of the contemplated transactions disclosed in Section 7.5.2 of the Prospectus and has been separately prepared in accordance with Australian Equivalents to International Financial Reporting Standards ("AIFRS").

The financial information has been prepared on an accruals and historical cost basis and is presented in Australian dollars.

#### **a) Significant accounting judgments, estimates and assumptions**

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumption and conditions and may materially affect the financial results or the financial position reported in future periods.

#### **b) Significant accounting judgments**

##### *Amortisation of intangibles with finite useful lives*

In relation to the amortisation of intangibles with finite useful lives, management's judgments are used to determine the estimate useful life. Management's judgments are based on historical information relating to specific assets.

#### **c) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

The carrying amount of property, plant and equipment is reviewed annually by Officers of the Lisa Ho Group to ensure it is not in excess of the recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employed and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The depreciable amounts of all fixed assets is depreciated on a straight line basis over their estimated useful lives commencing from the time the asset is held ready for use.

**d) *Intangibles***

Goodwill, trademarks and intellectual property assigned are valued in the accounts at cost of acquisition and are amortised over the period in which their benefits are expected to be realized.

**e) *Trade and Other Creditors***

These amounts represent liabilities for goods and services provided to the Lisa Ho Group prior to the end of the period and which are unpaid. The amounts are unsecured and are paid in accordance with supplier terms.

**f) *Interest-bearing loans and borrowings***

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings and subsequently measured at amortised cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognised.

**g) *Employee Entitlements***

Provision is made for the Lisa Ho Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measure at the amounts expected to be paid which the liability is settled plus related on costs. Other employee benefits payable later than on year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Lisa Ho Group to an employee superannuation fund and charges as expenses when incurred.

**h) *Taxation***

The Lisa Ho Group's accounting policy for taxation requires management's judgements as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgements are also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the Statement of Financial Position. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognized only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.



Judgements about the generation of future taxable profits and the repatriation on retained earnings depend on management's estimates of future cash flows. These depend on estimates of future cash sales, cost of sales, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or the entire carrying amount of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Statement of Comprehensive Income.

#### *Tax Consolidation*

Lisa Ho Designs Limited and its wholly owned Australian subsidiary have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Lisa Ho Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Lisa Ho Group notified the Tax Office that it had formed an income tax consolidated group.

#### **i) Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or Options are shown in equity as a deduction, net of tax, from the proceeds.

#### **j) Adoption of Australian International Financial Reporting Standards**

Australian Equivalents to International Financial Reporting Standards have been effective for financial reporting periods beginning on or after 1 January 2005. This requires disclosure of AIFRS accounting data for future comparative purposes commencing the period ending 30 June 2005. The first application for the Lisa Ho Group will be for the financial year ended 30 June 2013.

The key differences in the Lisa Ho Group's accounting policies, which will arise from the conversion to AIFRS are as follows.

- (i) AASB 1 "First-time Adoption of Australian Accounting Standards": Under AASB 1, the general rule is that entities applying AIFRS for the first time must apply to requirements of AIFRS retrospectively (effectively as if they had always applied.) There are a number of exemptions to this general rule within AASB 1. Any adjustments made under AASB 1 will be made to opening retained earnings, and are therefore not expected to impact the statement of financial performance of the Lisa Ho Group.
- (ii) AASB 136 "Impairment of Assets": The Lisa Ho Group currently determines the recoverable amount of assets on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of AASB 136, the recoverable amounts of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairment being recognised more

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often than under the existing policy. At the date of this Prospectus there are no known indicators of impairment that would impact the carrying values of the assets.

- (iii) **AASB 112 "Income Taxes"**: The Lisa Ho Group currently adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under the AASB 112, the Lisa Ho Group will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects for the timing and permanent differences between taxable income and accounting profit. The financial impact from the special purpose financials is a reduction of the deferred tax asset by \$107,181 and the increase in the deferred tax asset of \$173,322. The net impact on retained earnings is \$66,141.

### 7.5.2 Pro Forma Statement of Financial Position and Pro Forma adjustments

The Pro Forma Statement of Financial Position has been extracted from the unaudited Statement of Financial Position as at 30 September 2012 on the basis that the following transactions have been effected as at 30 September 2012.

- i) On listing, the Lisa Ho Group will issue 7,500,000 fully paid ordinary shares at \$0.20 each to raise \$1,500,000.
- ii) The payment of \$100,000 of costs associated with raising capital under the Offer has been charged against issued capital.
- iii) The issue of 1,000,000 fully paid ordinary shares at \$0.20 each if the maximum subscription is received to raise an additional \$200,000.
- iv) The issue of 150,000 options at \$0.20 each upon listing to a non-executive director at a total value of \$30,000.
- v) The receipt of the \$376,438 insurance claim. See Section 7.5.7 for details.

### 7.5.3 Cash Position

The Pro Forma cash position has been calculated as follows:

	Adjusting Event	As at 30 September 2012 \$
Cash at bank pre Offer		89,080
Bank overdraft pre Offer		(721,030)
Closing cash position of the Lisa Ho Group pre Offer		(631,950)
Minimum proceeds from the Offer	a.	1,500,000
Payment of offer costs	c.	(100,000)
Receipt of insurance claim	d.	376,438
<b>Minimum subscription Pro Forma cash position</b>		<b>1,144,488</b>
Maximum additional proceeds from Offer	b.	200,000
<b>Maximum Pro Forma cash position</b>		<b>1,344,488</b>

This is a Replacement Prospectus dated 26 February 2013.  
It replaces a Prospectus dated 19 February 2013  
relating to shares in Lisa Ho Designs Limited

The Pro Forma cash position in the Pro Forma Statement of Financial Position has been arrived at after adjusting for the impact of:

- The receipt of proceeds from the Offer amounting to \$1,500,000 in relation to a minimum subscription of 7.5 million fully paid shares at an issue price of \$0.20 per Share. See Section 2.4 of the Prospectus.
- The receipt of proceeds from the Offer amounting to \$200,000 in relation to the subscription of 1 million fully paid shares at an issue price of \$0.20 per Share should the maximum subscription be received. See Section 2.4 of the Prospectus.
- The payment of expenses of the Offer estimated at \$100,000. See Section 2.6 of the Prospectus.
- The receipt of the \$376,438 insurance claim. See Section 7.5.7 for details.

#### 7.5.4 Intangibles

The Pro Forma intangible assets position comprises of the following:

	As at 30 September 2012 \$
Goodwill, trademarks and intellectual property assigned at cost	93,658
Less: accumulated amortisation	(74,346)
	<b>19,312</b>

#### 7.5.5 Contributed equity

The Pro Forma contributed equity position has been calculated as follows:

	\$	No. of Shares
Contributed equity pre Offer	1,628,782	22,500,000
Minimum proceeds from the Offer	1,500,000	7,500,000
Costs associated with the Offer	(100,000)	-
<b>Minimum Pro Forma contributed equity</b>	<b>3,028,782</b>	<b>30,000,000</b>
Maximum additional proceeds from Offer	200,000	1,000,000
<b>Maximum Pro Forma contributed equity</b>	<b>3,228,782</b>	<b>31,000,000</b>

The contributed equity in the Pro Forma Statement of Financial Position has been calculated after adjusting for the impact of:

- The issue of 7.5 million fully paid ordinary shares at an issue price of \$0.20 per share amounting to \$1,500,000.
- The issue of additional 1 million fully paid ordinary shares at an issue price of \$0.20 per share amounting to \$200,000 if maximum subscription is obtained.

### 7.5.6 Contingent liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable are set out below:

	\$
Non-executive director fees are contingent on the Lisa Ho Group being listed on the NSX	75,000

### 7.5.7 Subsequent Events

The following subsequent events have occurred which have been adjusted within the special purpose financial information as at 30 September 2012.

An insurance claim has been lodged with Chubb insurance in relation to events which occurred prior to the period ended 30 September 2012. The amount to be recovered, as confirmed by Chubb insurance is \$376,438 which been accrued in other income as at 30 September 2012. This has been received subsequent to 30 September 2012 and has been included as a pro-forma adjustment.

As part of a debt restructure by the Lisa Ho Group, there has been an injection by Lisa Ho of \$1,628,782.02 in capital to reduce the commercial bill by the same value. This has been adjusted as at 30 September 2012.



## 8. Independent Accountants' Report



**Walker Wayland NSW**  
Chartered Accountants

ABN 55 931 152 365

8th Floor,  
55 Hunter Street  
SYDNEY NSW 2000

GPO Box 4036  
SYDNEY NSW 2001

Telephone +61 2 9951 5400  
Facsimile +61 2 9951 5454  
mail@wwnsw.com.au

Website www.wwnsw.com.au

19 February 2013

The Board of Directors  
Lisa Ho Designs Limited  
Level 1  
11-17 Buckingham Street  
SURRY HILLS NSW 2010

Dear Directors

### **INDEPENDENT ACCOUNTANTS' REPORT ON REVIEWED PRO FORMA STATEMENT OF FINANCIAL POSITION**

#### **1 Introduction**

We have prepared this Independent Accountants' Report ("Report") at the request of the Directors of the Lisa Ho Designs Limited consolidated group ("the Lisa Ho Group") for inclusion in a prospectus dated on or about 19 February 2013 ("the Prospectus") relating to the offer of 7.5 million ordinary shares at an issue price of \$0.20, amounting to \$1.5 million ("the Offer"). The Lisa Ho Group may also accept subscriptions for a further 1 million ordinary shares at an issue price of \$0.20 so that a maximum of \$1.7 million could be raised under this Prospectus. The Lisa Ho Group proposes to seek admission to the Official List of the National Stock Exchange of Australia Limited ("NSX").

Expressions defined in the Prospectus have the same meaning in this Report.

#### **2 Scope**

We have been requested to prepare an Independent Accountants' Report covering the following financial information:

- Special Purpose Audited Historical Statement of Financial Position of the Lisa Ho Group as at 30 June 2012;
- Special Purpose Management Historical Statement of Financial Position of the Lisa Ho Group as at 30 September 2012; and
- Pro Forma Statement of Financial Position of the Lisa Ho Group as at 30 September 2012, which assumes completion of the contemplated transactions disclosed in Section 7.5.2 of the Prospectus ("the Pro Forma Transactions") separately prepared in accordance with Australian Accounting Standards ("AASBs") and in accordance with Australian Equivalents to International Financial Reporting Standards ("AIFRS").

Partners: AS Rogers, HC Thomas, RS Woods, SE Arnold, RW Maclean, GD Ailsopp, MS Walker, DM Ross  
Consultants: PJ Longhurst, TF Tyler

An independent member of BKR International  
An independent member of Walker Wayland Australasia Limited

Liability limited by a scheme  
approved under Professional  
Standards Legislation

This is a Replacement Prospectus dated 26 February 2013.  
It replaces a Prospectus dated 19 February 2013  
relating to shares in Lisa Ho Designs Limited



The Historical Financial Information set out in Section 7.4 of the Prospectus has been extracted from the audited financial statements of the Lisa Ho Group as at 30 June 2012 and the unaudited management reports for the period ended 30 September 2012. The Directors are responsible for and have prepared the Historical and Pro Forma Financial Information, including determination of the adjustments as set out in Section 7.5.2 of the Prospectus in accordance with AASBs and AIFRS.

In accordance with the terms of our engagement, this report does not address the future prospects or forecasts of the Lisa Ho Group, nor risks associated with an investment in the Lisa Ho Group. We disclaim any responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than for which it was prepared. This Report should be read in conjunction with the full Prospectus.

## **2.1 Review of Historical Financial Information**

We have conducted an independent review of the Historical Financial Information in order to state whether on the basis of the procedures described, anything has come to our attention that would cause us to believe that the Historical Financial Information is not presented fairly, in all material respects, in accordance with the measurement and recognition requirements (but not all the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements and has been limited to reading of relevant Board minutes, inquiries of management personnel, analytical procedures applied to the financial data and certain limited verification procedures. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical Financial Information.

## **2.2 Review of Pro Forma Financial Information**

We have conducted an independent review of the Pro Forma Financial Information in order to state whether the basis of the procedures described, anything has come to our attention that would cause us to believe that:

- The Pro Forma Financial Information has not been prepared on the basis of the assumptions set out in Section 7.5.1 of the Prospectus; and
- The Pro Forma Financial Information has not been prepared applying the measurement and recognition requirements (but not all the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the Pro Forma transactions referred to above had occurred as at 30 September 2012.





Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements and has been limited to reading of relevant Board minutes, reading of contracts and other legal documents, inquiries of management personnel and analytical procedures applied to the financial data. We have also determined whether the Pro Forma transactions form a reasonable basis for the preparation of the Pro Forma Financial Information. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Pro Forma Financial Information.

### **2.3 AIFRS Financial Information**

The Directors of the Lisa Ho Group have determined the impact of transitioning to AIFRS. The disclosures set out in Section 7.5.1(j) of the Prospectus reflect elections the Directors have made in considering first time adoption of AIFRS. We note, the Directors may, at any time until completion of the first AIFRS compliant financial report, elect to revisit, and where necessary, revise the accounting policies and disclosures to be applied arising from the transition to AIFRS. Accordingly the Lisa Ho Group's first AIFRS compliant financial report may differ from the disclosure set out in Section 7.5.1(j) of the Prospectus.

## **3 Conclusions**

### **3.1 Review Statement on Historical Financial Information**

Based on our review, which is not an audit, nothing has come to our attention, which causes us to believe that the Historical Financial Information as set out in Section 7.4 of the Prospectus is not presented fairly, in all material respects, in accordance with the measurement and recognition requirements (but not all the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia, including the financial position of the Lisa Ho Group as at 30 September 2012.

### **3.2 Review Statement on Pro Forma Financial Information**

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the Pro Forma Financial Information as set out in Section 7.4 of the Prospectus:

- Has not been prepared on the basis of the assumptions as set out in Section 7.5.1 of the Prospectus of the Lisa Ho Group as at 30 September 2012; and
- Has not been prepared applying the measurement and recognition requirements (but not all the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the Pro Forma transactions set out in Section 7.5.2 of the Prospectus had occurred on that date.



### **3.3 Review Statement on AIFRS Financial Information**

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the AIFRS financial information contained in Section 7.4 of the Prospectus has not been prepared in accordance with the recognition and measurement principle prescribed in AIFRS effective at the date of this report relevant to the Lisa Ho Group

### **4 Subsequent events**

Apart from the matters dealt with in Section 7.5.7 of the Prospectus, and having regard to the scope of our report, to the best of our knowledge and belief, no material transactions or events outside of the ordinary business of the Lisa Ho Group have come to our attention that would require comment on, or adjustment to, the information referred to in our report or that would cause such information to be misleading or deceptive.

### **5 Disclosure**

Walker Wayland NSW, Chartered Accountants does not have any interest in the outcome of this Offer other than normal professional fees that will be received for the preparation of this Report.

The Directors have agreed to indemnify and hold harmless Walker Wayland NSW, Chartered Accountants and its employees from any claims arising out of misstatement or omission in any material or information supplied by the Directors for the purpose of this Report.

Consent to the inclusion of this Independent Accountants' Report in the Prospectus in the form and context in which it appears has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Grant Allsopp'.

**Grant Allsopp**  
**Partner**  
**Walker Wayland NSW**  
**Chartered Accountants**



## 9. Additional Information

### 9.1 Material Contracts

The descriptions of the Material Contracts in this sub-section do not purport to be complete and are qualified in their entirety by reference to the full terms of the Material Contracts. Apart from the matters mentioned below there are no contractual arrangements considered to be material for the purposes of this Prospectus and the Offer.

A summary of the material terms of each of the Material Contracts is set out hereunder:

#### 9.1.1 David Jones

In late 2012, the Company entered into a binding Heads of Agreement with David Jones Limited in respect of the establishment of Lisa Ho branded concessions within an initial 7 David Jones stores located in New South Wales, Victoria, Queensland, South Australia and Western Australia. The concession arrangement will commence in February 2013. A further 4 concessions may be established over the next two years.

The agreement is exclusive and prevents the Company selling its designs in other Australian department stores. The term of the agreement is 5 years with a 3 year option to renew.

Under the Heads of Agreement various non-binding sales targets apply depending on the location of the store. Sales targets are to be reviewed annually. Failure to meet targets does not mean the concessions will be terminated but could influence decisions relating to location of the concessions.

The Company is responsible for the fit out costs of each concession with the fit outs to be completed by July 2013. Between the commitment of the Heads of Agreement and July 2013, the Company shall utilise David Jones facilities.

The Company will be permitted to advertise in the David Jones Design Catalogue for each season.

Under the Heads of Agreement the Company acquired all David Jones Limited wholesale Lisa Ho stock at agreed discounts.

#### 9.1.2 Commonwealth Bank

The Company was a party to a tripartite agreement with the Commonwealth Bank of Australia and a clothing manufacturer, whereby the Company provided exclusive design services to the Commonwealth Bank for the design of its corporate wardrobe. This agreement expired on 30 June 2012.

The commercial relationship between the Company and the Commonwealth Bank remains strong and the parties are currently in the process of negotiating a new agreement of a similar nature. The details of this agreement are almost complete and it is expected the agreement will be signed by early March 2013. The Company is providing services to the Commonwealth Bank in the interim and the 2013 Commonwealth Bank catalogue features Lisa Ho designs.

### 9.1.3 Executive Contracts

The Company has executed an executive employment agreement with Lisa Ho to carry out the role of Chief Executive Officer. Her duties include acting as the creative and group business leader for the Company. The Commencement date of employment is 1 January 2013. Lisa Ho's base salary is \$109,000 inclusive of superannuation together with the use of a company car. Lisa Ho is also entitled to a turn-over bonus comprising of 2% of the gross annual sales of the Lisa Ho Group, as well as a directors fee of \$25,000. The Company will reimburse Lisa Ho for any travel, hotel, entertainment and other out-of-pocket expenses properly and reasonably incurred in the course of employment with the Company. There will be a remuneration and performance review once a year.

### 9.1.4 Lisa Ho Name Licensing

The Company has executed a licence agreement with Lisa Ho to confirm a continuing grant to the Company of an exclusive licence for the use of existing "Lisa Ho" name in respect of all aspects of the Lisa Ho Group business. The licence agreement also grants the Company the right to use the image and likeness of Lisa Ho. The effective date of the licence agreement is 1 January 2013. Lisa Ho will receive annual royalties from the use of the "Lisa Ho" name trade marks. In the first 3 years following the effective date Lisa Ho will receive as an annual royalty being the greater of 0.5% of the gross annual income of the Lisa Ho Group or \$50,000. After the third anniversary of the effective date Lisa Ho will receive as an annual royalty being the greater of 3% of the gross annual income of the Lisa Ho Group or \$450,000. Upon termination of the licence agreement ownership of the "Lisa Ho" name trade marks will be transferred to Lisa Ho.

### 9.1.5 Deeds of Access and Indemnity

Each Director has entered into a Deed of Appointment with the Company under which each party is given access to documentation and in addition is:

- Indemnified by Lisa Ho Designs Limited to the full extent permitted by law against all liabilities sustained or incurred through acting as a Director or Company Secretary (under the Corporations Act the indemnity does not extend to a liability owed to Lisa Ho Designs Limited or its related bodies corporate, or which arises out of conduct involving a lack of good faith, or is for a pecuniary penalty order under section 1317G of the Corporations Act or a compensation order under section 1317H of the Corporations Act);
- Indemnified by Lisa Ho Designs Limited to the full extent permitted by law against legal costs and expenses incurred in defending an action for a liability incurred as an officer of Lisa Ho Designs Limited (under the Corporations Act the indemnity does not extend to costs incurred in circumstances where the Director is found to have a liability for which the Director cannot be indemnified, or costs of defending or resisting criminal proceedings in which the Director is found guilty or defending proceedings brought by ASIC or a liquidator for a court order where the court holds that the grounds for making the order are established, or costs in respect of proceedings seeking relief for the Director under the Corporations Act where the court denies relief); and
- Entitled to have Lisa Ho Designs Limited maintain and pay premiums in respect of directors' and officers' insurance to the extent permitted by the law.

## 9.2 Restriction Agreements

Lisa Ho Designs Limited has entered into a restriction agreement in the form set out in the NSX Listing Rules as per the requirements of the NSX with Lisa Ho in respect of 14,356,090 of her 22,500,000 Shares. The balance of her Shares are not subject to escrow.

The restriction agreement provides that Lisa Ho will not apply for 14,356,090 Shares held by her to be traded on the NSX for a period of 24 months after the date of listing. She is free to trade the remaining 8,143,910 Shares in her name.

Further restriction agreement may also be entered into by any other persons or entities as may be determined appropriate by the NSX. The terms of such agreements are entirely at the discretion of the NSX and similarly any Shares the subject of such restriction agreements will not be traded on the NSX for such period as may be determined appropriate by the NSX in its discretion.

## 9.3 Documents Available for Inspection

The original or verified copies of the Company's Constitution consents and the Material Contracts set out in this sub-section shall be deposited at the registered office of the Company promptly after the lodgement of this Prospectus with the ASIC and kept there for such period as may be required by law from that date for inspection by any person without charge during normal business hours.

A copy of the Company's Constitution is available for inspection by Shareholders and prospective investors at the Company's registered office. Alternatively, the Company will forward a copy to Shareholders and prospective investors, free of charge, upon request.

The documents set out below are available for inspection without charge during normal business hours at the registered office of Lisa Ho Designs Limited:

- (a) this Prospectus
- (b) Lisa Ho Designs Limited's Constitution
- (c) the Material Contracts listed in Section 9.1 of this Prospectus, including the executive contracts.

## 9.4 Declaration and Consents

### 9.4.1 Interest of Experts and Others

Other than as disclosed in this Prospectus, no expert, promoter of the Company or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- has, or had any interest at any time within two years prior to the date of this Prospectus, in the formation or promotion of the Company, the Offer contained in this Prospectus or any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer contained in this Prospectus;
- has received or is entitled to receive any benefit for services provided in connection with the formation or promotion of the Company or the Offer contained in this Prospectus, other than as referred to in Section 9.4.1.

This is a Replacement Prospectus dated 26 February 2013.  
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Herbert Geer has acted as legal advisor and Nominated Advisor to the Company in relation to the listing of the Company and the Offer and has undertaken due diligence enquiries on legal matters. Herbert Geer are entitled to receive \$67,200 (including GST) for their services as Solicitor to the date of this Prospectus. Herbert Geer has been paid and will be paid fees in accordance with normal hourly commercial rates for other legal work.

Andrew Bristow, a partner of Herbert Geer will act as Company Secretary. Herbert Geer will be paid \$1,200 per month for these services.

Walker Wayland have acted as Independent Accountants in relation to the Offer and has undertaken due diligence enquiries in relation to financial, accounting and taxation matters and has prepared the Independent Accountant's Report in Section 8 of this Prospectus. Walker Wayland is entitled to receive \$19,800 (including GST) for these services to the date of this Prospectus. Subsequently, fees will be paid in accordance with normal hourly charge-out rates.

#### **9.4.2 Consents of Experts and Others**

The following consents have been given in accordance with section 716 of the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with the ASIC:

Herbert Geer have given, and have not withdrawn, their written consent to being named in this Prospectus as solicitors to the Company. Herbert Geer have not made any statement that is included in this Prospectus or on which a statement in this Prospectus is based. They have not authorised or caused the issue of this Prospectus or the making of the Offer. Herbert Geer make no representation regarding, and to the extent permitted by law exclude any responsibility for, any statements in or omissions from any part of this Prospectus.

Boardroom Pty Limited have given, and have not withdrawn, its written consent to be named in this Prospectus as share registry of the Company. Boardroom Pty Limited has not authorised or caused the issue of any part of this Prospectus or the making of the Offer. Boardroom Pty Limited makes no representation regarding and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Walker Wayland have given, and have not withdrawn, their written consent to being named in this Prospectus as Independent Accountant and to the inclusion of its report set out in section 8 in the form and context in which it appears. Walker Wayland have not authorised or caused the issue of any part of this Prospectus or the making of the Offer and takes no responsibility for any part of the Prospectus other than the Independent Accountants' Report. Other than as set out above, Walker Wayland makes no representation regarding, and to the extent permitted by law, excludes any responsibility for any statements in or omissions from any part of this Prospectus.

Walker Wayland have given, and have not withdrawn, their written consent to being named in this Prospectus as Auditors of the Company. Walker Wayland has not authorised or caused the issue of this Prospectus or the making of the Offer. Walker Wayland makes no representation regarding, and to the extent permitted by law, excludes any responsibility for any statements in or omissions from any part of this Prospectus.



## **9.5 Rights and Obligations Attaching to Shares**

### **Shares**

The Shares to be issued pursuant to this Prospectus will rank equally in all respects with the Company's existing Shares.

The rights, privileges, liabilities and restrictions attaching to Shares are set out in the Constitution of the Company.

### **Share Capital**

The share capital in the Company consists of ordinary shares. All existing issued Shares and Shares to be issued pursuant to this Prospectus are of the same class and rank equally in all respects.

### **Voting Rights**

Subject to any rights for the time being attached to any class or classes of shares and provided no amount due and payable in respect of a call is unpaid, (at present there are no partly paid shares or unpaid calls) at a general meeting of the Company every holder of Shares present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote per Share.

### **Dividend Rights**

Subject to the rights of holders of shares issued with any special preferential or qualified rights, the profits of the Company which the Directors of the Company may from time to time determine to distribute by way of dividend will be declared and paid according to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited), on the shares in respect of which the dividend is paid. Any amount paid up on a Share during the period in respect of which a dividend is declared only entitles the holder of that Share to an apportioned amount of that dividend as from the date of payment.

### **Rights on Winding-up**

Subject to the Company's Constitution and any special rights attaching to any class of Shares, Shareholders will be entitled in a winding up to share in any surplus assets of the Company in proportion to the Shares held by them.

### **Transfer of Shares**

Subject to the Company's Constitution and the Corporations Act, the Company's Shares are freely transferable.

## **Creation and Issue of Further Shares**

The allotment and issue of any new shares is at the discretion of the Board. Subject to any restrictions on the allotment of shares imposed by the Company's Constitution, or the Corporations Act, the Board may issue those new Shares on such terms and conditions, and with rights and privileges, as the Board from time to time may determine.

## **Variation of Rights**

At present the Company has only ordinary shares on issue. If shares of another class are issued, the rights, privileges and restrictions attaching to the shares may be altered with the sanction of a special resolution passed at a separate general meeting of the holders of the shares, or with the written consent of at least three quarters of the holders of the shares.

## **General Meetings**

Each holder of Shares is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

## **Buy Back**

The Company may buy shares in itself in accordance with the Corporations Act on the terms and at the times determined by the Board.

## **Calls on Shares**

Where shares are issued as partly paid (at present there are none) the Directors may make calls upon the holders of those shares to pay the whole of or a portion of the balance of the issue price. If a shareholder fails to pay a call or instalment of a call, then subject to the Corporations Act and the Listing Rules the shares in respect of the call may be forfeited in accordance with the Company's Constitution.

## **Unmarketable parcels**

Subject to certain conditions the company may sell unmarketable parcels on issue as agent for the holders of those parcels. Shareholders will be provided with 6 weeks notice enabling them to elect to retain their shares, the shares may be sold and the proceeds held in trust on behalf of the Shareholder.

## **9.6 Rights and Obligations Attaching to Options**

### **Options**

The Options to be issued pursuant to this Prospectus entitle the holder to acquire 1 ordinary Share in the Company for each Option held. The Shares acquired upon exercise of the Options will rank equally in all respects with the Company's existing Shares.

### **Exercise Period**

The Options will not vest, and therefore cannot be exercised, until 2 years after the date of issue. Once the Options vest, they may be exercised at any time within the next 12 months. After that

This is a Replacement Prospectus dated 26 February 2013.  
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time, any unexercised Options will lapse.

### **Option Price**

The Options are issued for no cash consideration. There is no cash consideration payable upon exercise of the Options.

### **Voting Rights**

The Options do not confer any right to attend or vote at any meeting of shareholders of the Company unless the holder is already a shareholder of the Company. Once the Options are exercised and Shares are issued, the holder will acquire the voting rights attached to the Shares.

### **New Share Issues**

The Options do not carry any right to participate in any new issue of Shares which may be offered by the Company to its shareholders before the Options are exercised. However, the Option holder is entitled to receive notice of any proposed issue of Shares during the Option Exercise Period, so that the holder has an opportunity to exercise the Options and acquire Shares in order to participate in the Share issue.

### **Transfer of Options**

The Options are not transferable.

## **9.7 Litigation**

The Company is not currently involved in any litigation or arbitration and is not aware of any threatened litigation or pending arbitration by or against it that is material.

## **9.8 Expenses of the Issue**

The following approximate expenses (including GST) have been or are expected to be incurred with respect to the Issue:

<b>Expenses</b>	<b>Amount (\$)</b>
Experts, Consultants and other legal fees	67,200
Share Registry expenses	5,000
Investigating Accountants and Audit fees	19,800
ASIC	2,200
Prospectus printing, design and mailing	5,800
<b>TOTAL</b>	<b>100,000</b>

## 9.9 Director's Consents

The Directors of the Company report that for the purposes of Section 731 of the Corporations Act, they state that they have made all enquiries that were reasonable in the circumstances and have reasonable grounds to believe that any statements by them in this Prospectus are true and not misleading or deceptive, and that with respect to any other statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given the consent required by section 716(2) of the Corporations Act and have not withdrawn that consent before lodgement of this Prospectus with ASIC.

Each Director of the Company consents to the lodgement of this Prospectus with ASIC, and has not withdrawn that consent prior to this Prospectus being lodged. This Prospectus is prepared on the basis that:

- certain matters may be reasonably expected to be known to professional advisers of the kind with whom Applicants may reasonably be expected to consult; and
- information is known to Applicants or their professional advisers by virtue of any Acts or laws of any State or Territory of Australia or the Commonwealth of Australia.

## 9.10 Lodgement Authorisation

This Prospectus is authorised by the Company and lodged with ASIC pursuant to Section 716 of the Corporations Act. The Directors have consented in writing to such lodgement in terms of Section 720 of the Corporations Act.

Dated 26 February 2013

  
\_\_\_\_\_  
Lisa Ho

Board Chair



## 10. Glossary

In this Prospectus the following terms and abbreviations have the following meanings, unless the context otherwise requires:

**\$** means dollars in the lawful currency of Australia (unless otherwise specifically stated);

**AASBs** means Australian Accounting Standards.

**AIFRS** means Australian Equivalence to International Financial Reporting Standards.

**Applicant** means any person or entity applying for Shares under this Offer.

**Application** means a valid application to subscribe for Shares.

**Application Form** means an application form attached to and forming part of this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**Auditors** means Walker Wayland.

**Board** means the Board of Directors of the Company.

**Business Day** means a day on which NSX is open for the transaction of business.

**CHESS** means Clearing House Electronic Sub-register System.

**Closing Date** means 29 March 2013 or such other date by which Applications will be accepted as the Directors may determine.

**Company or Lisa Ho Designs** means Lisa Ho Designs Limited ACN 002 972 732.

**Constitution** means the Constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the directors of the Company at the date of this Prospectus.

**GFC** means Global Financial Crisis.

**Lisa Ho Group** means the Company and its wholly owned subsidiary Lisa Ho Retail Pty Ltd

**Listing** means the listing of the Company on the NSX.

**Listing Rules** means the Official Listing Rules of the NSX.

**Material Contracts** means those agreements and arrangements referred to and summarised in Section 9 of this Prospectus.

**NSX** means National Stock Exchange of Australia Ltd (ACN 000 902 603).

**Offer or Issue** means the invitation to make Applications in the terms of this Prospectus and where appropriate, includes the allotment and issue of Shares.

**Offer Period** means the period commencing on the Opening Date and ending on the Closing Date.

**Offer Price** means A\$0.20 per Share

**Official List** means the Official List of NSX.

**Opening Date** means 27 February 2013 or such later Applications may be received.

**Ordinary Share** means a fully paid ordinary share in the capital of the Company.

**Prospectus** means this document.

**Report** means the Independent Accountants Report.

**Settlement Rules** mean the ASX Settlement Operating Rules.

**Share Registrar** or **Share Registry** means Boardroom Pty Limited ACN 003 209 836.

**Share or Shares** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the holder of Shares registered in the Company's records.

**Special Purpose** means Special Purpose Financial Reports.

**Walker Wayland** means Walker Wayland NSW, Chartered Accountants.

References in this Prospectus to Sections are to Sections of this Prospectus.

References in this Prospectus to currency are, unless stated otherwise, to the currency of Australia.

## Corporate Directory

### DIRECTORS

Lisa Ho                      Board Chair and  
Chief Executive Officer  
Executive Director

Peter Navratil            Non-Executive Director

Ann Bowering            Non-Executive Director

### COMPANY SECRETARY

Andrew Bristow

### COMPANY REGISTERED OFFICE

Level 1,  
11-17 Buckingham Street  
Surry Hills NSW

### WEBSITE

[www.lisaho.com](http://www.lisaho.com)

## Advisors to the Company

### SOLICITORS

Herbert Geer Lawyers  
Level 12  
77 King Street  
Sydney NSW 2000  
Telephone: +61 2 9239 4500  
Facsimile: +61 2 9239 4555

### AUDITOR

Walker Wayland NSW,  
Chartered Accountants  
Level 8  
55 Hunter Street  
SYDNEY NSW 2000

Telephone: +61 2 9951 5400  
Facsimile: +61 2 9951 5454

### SHARE REGISTRY

Boardroom Pty Limited  
Level 7  
207 Kent Street  
SYDNEY NSW 2000

Telephone: +61 2 9290 9600  
Facsimile: +61 2 9279 0664

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# Lisa Ho Designs Limited

ACN 002 972 732

## Application form

Fill out this Application form if you wish to apply for Shares in Lisa Ho Designs Limited

- Please read the Prospectus dated 26 February 2013
- Follow the instructions to complete this Application form (see reverse).
- Print clearly in capital letters using black or blue pen.

Broker Reference – Stamp Only

Broker Code

Advisor Code

### A Number of shares you are applying for

x \$0.20 per share =

### B Total amount payable

Minimum of 10,000 Shares to be applied for, and thereafter in multiples of 5,000 Shares.

### C Write the name(s) you wish to register the Shares in (see reverse for instructions)

Applicant 1

Name of Applicant 2 or < Account Designation >

Name of Applicant 3 or < Account Designation >

### D Write your postal address here

Number / Street



Suburb/Town

State

Postcode

### E CHESS participant – Holder Identification Number (HIN)

*Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Securities issued as a result of your application will be held on the Issuer Sponsored subregister.*

### F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

Applicant #2

Applicant #3

### G Cheque payment details – PIN CHEQUE(S) HERE

Please enter details of the cheque(s) that accompany this application.

Name of drawer of cheque	Cheque No.	BSB No.	Account No.	Cheque Amount A\$
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

### H Contact telephone number (daytime/work/mobile)

### I Email address

By submitting this Application form, I/We declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Lisa Ho Designs Limited (the Company). I/We was/were given access to the Prospectus together with the application form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

This is a Replacement Prospectus dated 26 February 2013.  
It replaces a Prospectus dated 19 February 2013  
relating to shares in Lisa Ho Designs Limited

## Guide to the Application Form

**YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.**

Please complete all relevant sections of the appropriate Application Form using **BLOCK LETTERS**.

These instructions are cross-referenced to each section of the Application Form.

### Instructions

- |   |  |
|---|--|
| A. If applying for Shares insert the <b>number</b> of Shares for which you wish to subscribe at Item A (not less than 10,000 and then in multiples of 5,000. Multiply by \$0.20 AUD to calculate the total for Shares and enter the <b>\$amount</b> at B.       | F. Enter your Australian <b>tax file number</b> ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form. |
| C. Write your <b>full name</b> . Initials are not acceptable for first names.   | G. Complete <b>cheque details</b> as requested. Make your cheque payable to <b>Lisa Ho Designs Limited Share Application Account</b> , cross it and mark it "Not negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.  |
| D. Enter your <b>postal address</b> for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.   | H. Enter your <b>contact details</b> so we may contact you regarding your Application Form or Application Monies.  |
| E. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.<br><b>NB: your registration details provided must match your CHESS account exactly.</b> | I. Enter your <b>email address</b> so we may contact you regarding your Application Form or Application Monies or other correspondence.  |

### Correct Forms of Registrable Title

Note that **ONLY** legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

### Lodgement

Mail your completed Application Form with cheque(s) attached to the following address:

#### Mailing address:

Lisa Ho Designs Limited  
C/- Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

#### Delivery address:

Lisa Ho Designs Limited  
C/- Boardroom Pty Limited  
Level 7  
207 Kent Street  
SYDNEY NSW 2000

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Boardroom Limited on 02 9290 9600.

### Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/Privacy.html>).